

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6582**

**BILL NUMBER:** SB 212

**NOTE PREPARED:** Jan 24, 2008

**BILL AMENDED:** Jan 24, 2008

**SUBJECT:** Expense Advances to Driver Employees.

**FIRST AUTHOR:** Sen. Bray

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill authorizes under certain circumstances an employer that is engaged in the transportation of property or household goods over public highways to deduct from wages earned in a subsequent pay period amounts advanced to a driver employee for wages and business expenses that are not adequately substantiated. It requires an employer to provide notice to the driver employee that amounts in excess of substantiated expenses may be deducted from a subsequent paycheck. The bill also provides that the deduction may not be considered a fine, wage deduction, or wage assignment.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** *Department of State Revenue (DOR):* The DOR would incur some administrative expenses relating to the revision of tax forms, instructions, and computer programs to incorporate the bill's provisions. The Department's current level of resources should be sufficient to implement this change.

**Explanation of State Revenues:** *Summary:* The bill's provisions would have no fiscal impact on the Adjusted Gross Income (AGI) Tax as employers would be permitted to make certain deductions from employees' future wage earnings based on the amount of wages and/or business expenses advanced by the employer to the employee.

**Background:** The bill specifies that an employer may not make a deduction unless, at the time of the advance, the employer provides notice to the employee that the amount advanced may be deducted from future paychecks. This might occur in the event that the amount advanced exceeds the amount substantiated with either a receipt or other appropriate documentation, as specified in United States Code, Title 26, which

includes the following:

- (1) The amount of such expense or item.
- (2) The time and place of the travel, entertainment, amusement, recreation, or use of the facility or property, or the date and description of the gift.
- (3) The business purpose of the expense or other item; and
- (4) The business relationship of the persons entertained, using the facility or property, or receiving the gift.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:** United States Code, Title 26;  
[http://www.law.cornell.edu/uscode/html/uscode26/usc\\_sec\\_26\\_00000274----000-.html](http://www.law.cornell.edu/uscode/html/uscode26/usc_sec_26_00000274----000-.html)

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